

# **REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR**

## **AUDIT OF BOOMTOWN CASINO CONTRACT COMPLIANCE FOR OPERATING YEARS 2006-2007**

**INTERNAL AUDIT REPORT 220208-10**

**June 26, 2008**



June 26, 2008

Councilman Joe Shyne  
Chairman, Shreveport City Council

Dear Councilman Shyne:

Subject: IAR 220208-10 - Audit of Boomtown Casino - Contract Compliance for Operating Years 2006-2007

Attached please find the report mentioned above.

Sincerely,

Leanis L. Graham, CPA, CIA  
City Internal Auditor

bp

# AUDIT OF BOOMTOWN CASINO CONTRACT COMPLIANCE FOR OPERATING YEARS 2006-2007 INTERNAL AUDIT REPORT (IAR) 220208-10

## OBJECTIVES

We have completed an audit of the revenues received in 2006 and 2007 by the City of Shreveport from Boomtown Casino. Our objective was to determine whether, as defined in the Collins-Hanna-Walker Compact, the City of Shreveport received the correct amount of revenues.

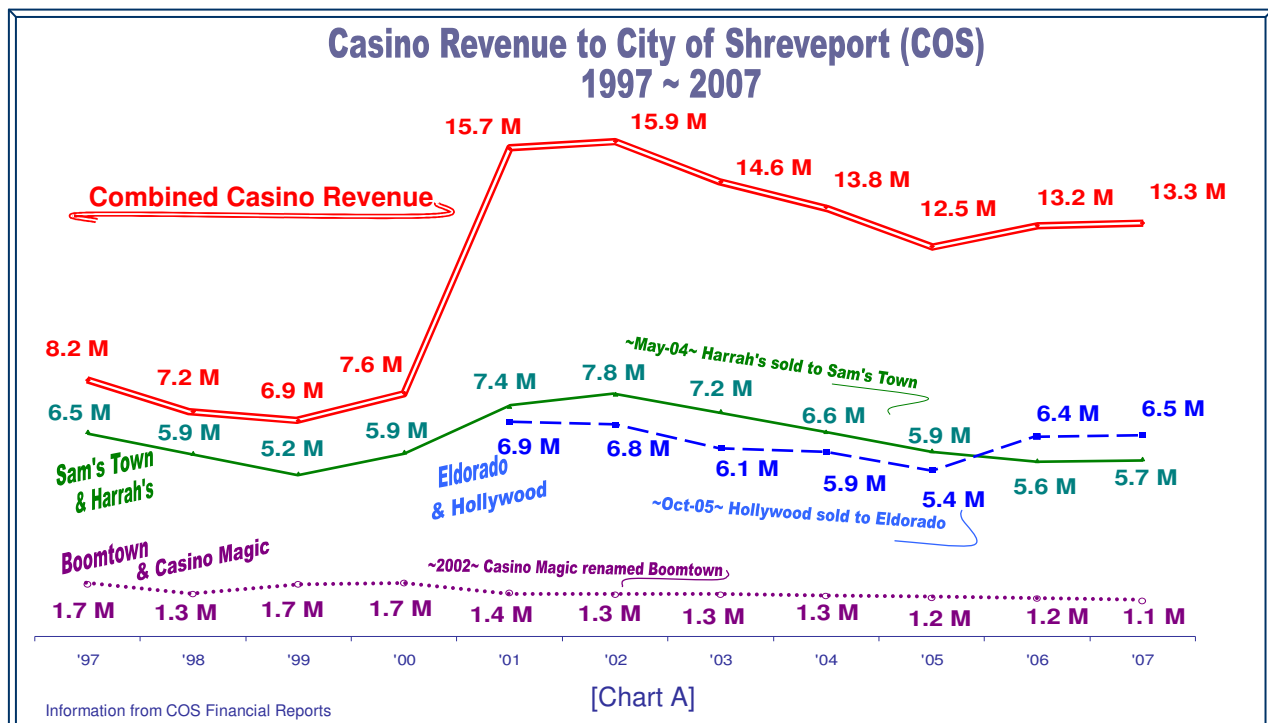
## SCOPE AND METHODOLOGY

Our audit was performed in accordance with generally accepted governmental auditing standards as defined in Section A.20 of the Internal Audit Office Operating Instructions Manual. The scope of the study of internal control was limited to the general controls surrounding our objectives for the operating years 2006 and 2007. Audit procedures applied included the following:

- Reviewing applicable records and documents.
- Interviewing appropriate operating personnel and management.

## BACKGROUND

Boomtown Casino property has been operating since October 1996. It is one of three casinos in which the City of Shreveport receives revenues. A summary of the revenues received over the last ten years from each casino and from all the casinos combined is provided below in *Chart A*.



**IAR 220208-10**  
**March 5, 2008**

The Collins-Hanna-Walker Compact is an agreement that distributes 5.4% of the Boomtown Casino's adjusted gross receipts (AGR), as calculated by the Louisiana Department of Public Safety and Corrections Office of the State Police Riverboat Gaming Division, amongst the City of Shreveport, Caddo Parish, and Bossier City. The City of Shreveport receives 22.4125% of the AGR distribution. The agreement was brought about because of the jurisdictional boundaries in which the casino resides.

**CONCLUSIONS/FINDINGS/RECOMMENDATIONS**

The Internal Audit Office expresses appreciation to the management and personnel of Boomtown Casino for their cooperation and assistance provided during our audit.

Based on the results of our audit, we determined that the City was paid per the terms of the agreement.

Prepared by:

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Staff Auditor

Approved by:

Leanis L. Graham, CPA, CIA  
City Internal Auditor

BP:lp

c: Mayor  
CAO  
City Council  
Clerk of Council  
City Attorney  
External Auditor  
Boomtown Casino